



CONSULTANT SELECTION AND CONTRACT IMPLEMENTATION PROCEDURES FOR PROFESSIONAL SERVICES CONTRACTS

**MISSOURI DEPARTMENT
OF
TRANSPORTATION**

March 7, 2002

NOTE: Any reference made in these procedures regarding a district office performing certain functions or having certain responsibilities may also be applicable to individual General Headquarters business units if they directly administer the contract. If this is the case the business unit will assume the responsibilities described for the district in these procedures.

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I. SOLICITATION OF INTEREST FROM CONSULTANTS

The Missouri Department of Transportation (MoDOT) General Headquarters (GHQ) Design business unit maintains a database of consulting firms who have expressed an interest in providing professional services for MoDOT. This information is obtained from the completed Standard Form 254, and other information which we receive from the consultants. Information received from the consultants regarding their staffing and qualifications is maintained in a file and made available to aid in the selection process. The Standard Form 254 is available on the Internet at http://www.modot.state.mo.us/cadd/consultant_info/default.htm

GHQ Bridge maintains a file which contains more detailed information regarding the staffing and qualifications, specifically related to structural engineering, of those firms that have expressed an interest in providing structural engineering services to MoDOT. Any firm that wishes to be considered for providing future structural engineering services to MoDOT shall take the necessary steps to forward this additional information to GHQ Bridge. It is also considered the consultant's responsibility to provide periodic updates to existing information, and at any time when significant changes occur with the consultant's structural related staffing and resources. The desired format to be followed in providing structural staffing and qualification information to MoDOT may be obtained by contacting GHQ Bridge. Those firms who do not choose to provide this additional information will not be considered for future structural engineering services.

GHQ Design also maintains a file that contains more detailed information regarding the staffing and qualifications of firms that want to provide photogrammetric services. Consultants providing these services have the same responsibilities as the structural engineering firms mentioned in the previous paragraph.

A. SOLICITATION PROCESS

When projected work loads and available resources indicate the need to use a consultant on a specific project, the district will submit documentation to support this need to the professional services committee for their concurrence. GHQ Design will then issue a notice to the appropriate consultants included in the database. If the required services are strictly specialized in nature, then the notice will only be sent to those firms who have previously provided GHQ Bridge and GHQ Design with the appropriate information regarding qualifications. The notice for all other professional services, even if combined with structural engineering or photogrammetric services, will be sent to all the firms included in the database.

The notice will describe the type of services which are needed and request that consultants who wish to be considered for the services send a letter expressing their interest to the appropriate district office. The notification to the consultant may range from a simple listing of the county, route, anticipated construction cost, type of project to be constructed, and services to be provided by the consultant to a detailed Request For Proposals (RFP).

The process of sending the notification, which is described above, is followed for most of the projects which do not have special conditions. This process will be followed for the majority of the projects.

B. MODIFIED SOLICITATION PROCESS

For projects which have special conditions, the professional services committee may, with concurrence from the district, solicit letters of interest from a smaller group of consultants selected from the list of all consultants. If the project only requires structural engineering or photogrammetric services and contains special conditions, then interest may be solicited from a smaller group of consultants selected from the list of consultant firms that have previously expressed an interest in providing the specialized services to MoDOT. The smaller group of consultants will be chosen based on past experience with the consultants and knowledge of the qualifications of the consultants to perform the services required in the contract.

Special conditions that warrant solicitation of letters of interest from the smaller group of consultants are:

- The need for an accelerated selection process due to the critical nature of the contract.
- The scope of services requires a highly specialized knowledge and expertise which limits the number of qualified firms.
- The scope and cost of the contract is considered to be minor in nature.
- The services will be provided under the hourly rate fee agreement on an as needed basis.
- The contract falls into the small purchases category. The small purchases category includes those contracts where the cost is less than \$25,000.
- Any other reason that the professional services committee feels is valid justification for using this process.

II. CONSULTANT SELECTION PROCESS

A. PREPARATION OF THE SHORT LIST OF INTERESTED FIRMS

The consultant's response to the solicitation of interest may range from a short letter outlining their experience and approach to the project to the submission of a detailed proposal, depending on what was requested in the notification.

A team of individuals at the district level, or in the appropriate business units of (GHQ), reviews the letters of interest or proposals, performance evaluation forms, available information which shows the consultant's staffing levels and qualifications, and the work experience of the firms to develop a "short list" of three to six consultants who will receive final consideration to perform the necessary services.

B. SELECTION PROCESS WITHOUT CONSULTANT PRESENTATIONS

For projects which involve the development of detailed plans, general design services, or general planning services the district submits this "short list" along with a completed rating form to the appropriate GHQ business unit with a recommendation for final selection. Instructions for completing the rating form are shown as Attachment #1.

The business unit reviews the ratings of the short listed firms and the district's recommendation to ensure that the consultant's workload statewide does not exceed the manpower of the consultant. Following this review, the business unit makes a recommendation to the professional services committee.

The professional services committee is comprised of the Director of Project Development, the State Design Engineer and the State Bridge Engineer. Based upon the recommendation of the other committee members, the Director of Project Development approves or rejects the selection of the consultant. It should be noted the professional services committee includes the Director of Planning when the contract involves a feasibility study, location/environmental study or major investment study or the State Project Operations Engineer when the contract involves construction and materials inspection contracts.

These solicitation and selection procedures are also followed by GHQ business units in the selection of consultants for bridge, photogrammetry, environmental, cultural resources, transportation and planning activities, the Bridge Engineering Assistance Program, Traffic Engineering Assistance Program, and any other services that may be required.

The professional services committee reserves the right to require consultant presentations before selection for any type of project for which they determine it to be necessary or desirable. If consultant presentations are required the selection process listed below will be followed.

C. SELECTION PROCESS WITH CONSULTANT PRESENTATIONS

For projects, which involve a feasibility study, a location/environmental study, or a major investment study the district's short list is reviewed by Design and Transportation Planning. However, a recommendation for final selection is not made at this time. Design and Transportation Planning coordinates with the district for arrangement of individual consultant presentations before the entire professional services committee, the district engineer, and appropriate district staff. Following these presentations the district selection committee and the professional services committee will reach consensus as to which consultant will be selected to perform the study.

For feasibility study, location/environmental study, or major investment study contracts which have special conditions, the professional services committee may choose to select a consultant, based on available qualification data, without the presentation

process.

Special conditions which warrant the selection of consultants for these studies without the consultant presentation process are:

- The need for an accelerated selection process due to the critical nature of the contract.
- The scope and cost of the contract is considered to be minor in nature.
- The professional services committee is very familiar with the qualifications and capabilities of all the short listed firms from previous presentations and contracts and they feel that the presentations will not increase their knowledge of the firms.
- Any other reason that the professional services committee feels is valid justification for not having presentations for these types of contracts.

The consultant presentation process may also be followed for any type of project for which the professional services committee determines it to be necessary or desirable.

D. SELECTION USING THE NONCOMPETITIVE NEGOTIATION PROCESS

If approved by the professional services committee, a noncompetitive negotiation process may be used to select the consulting firm to perform necessary services. Approval to use the noncompetitive negotiation process will be limited to the following circumstances:

- The service is only available from a single source.
- There is an emergency that requires the selection be made expeditiously; therefore, not permitting the time necessary to conduct the normal solicitation and selection process for this contract.
- After the soliciting of a number of sources by use of the normal solicitation process, the professional services committee determines that the competition is inadequate.

The noncompetitive negotiation process shall consist of the consultant being recommended to the professional services committee based on past experience with the consultant and knowledge of the qualifications of the consultant to perform the services required in the contract. Based upon the recommendation of the other professional services committee members, the Director of Project Development will approve or reject the selection of the consultant.

E. EVALUATION OF SELECTION CRITERIA

Through the course of the selection process, MoDOT will determine that the selected consultant is qualified professionally, is financially capable to perform the services required, and has properly trained and experienced personnel available to perform the services within the time prescribed.

The following factors and information will be used in the selection process to evaluate

the consultants and determine that these qualities are in evidence:

1. The consultant's present staff of personnel and their qualifications will be determined from:
 - The brochures and other data received from the firm indicate in detail the education and experience of the members of the firms and their key personnel. If necessary, personal interviews with firm members will be held.
 - Personal knowledge of the past performance of firm members will be a factor.
2. The consultant's work experience will be evaluated based on the following:
 - Experience in the type of design, or other professional services, required under the proposed contract--such as rural, urban, bridge, planning studies, location/environmental studies, etc. and the complexity of those services.
 - The experience of the consultant's staff in related highway work such as work with the computer aided drafting and design software, traffic analysis, soil analysis, structural design, hydraulics, signalization, street lighting, environmental documents, cultural resources, etc., will be considered.
3. The department's past experience in engaging the consultant for other engineering services or professional services shall be evaluated based on the following:
 - A consultant will be considered qualified if past performance indicates both a professional approach and professional results for that type of service provided.
 - The performance evaluation forms for other contracts completed by the consultant for MoDOT shall be reviewed to ensure that the consultant received a satisfactory or better rating. Ratings less than satisfactory will warrant further investigation to see if the deficiencies have been corrected.
4. Location of consultant's design office or staff headquarters will be considered in the selection process.
 - The primary consideration will be the location of the consultant's office relative to the job site; however, this will not be a factor on bridge structure design, especially for major river crossings, or specialized planning studies since the number of qualified consulting firms is limited.
5. The financial status of a consultant will be considered sound and adequate unless there is evidence to the contrary.
6. The adequacy of the consultant's instant staffing, together with available additional staffing for the proposed design will be evaluated to ensure that the consultant can provide the required services in the desired time frame. The present work load required by existing MoDOT contracts for design and other professional services will be a factor in this determination.

- The department maintains records of the number of man-hours required to perform highway and structural design work and/or location/environmental work for each category of highway and structural project. This information, together with a knowledge of the consultant's personnel, is sufficient to allow the department to determine if the consultant has adequate staffing to perform the services in the desired time period.
- As the department enters into more consultant contracts for different types of services, more data will be available for comparing the consultant man-hours to existing consultant contracts. However the primary focus of the man-hour review will be the comparison to the department man-hours to perform similar services.

F. PROCESS FOR OBTAINING PROFESSIONAL SERVICES ON HOURLY RATE BASIS

This process of securing professional services is only intended to be used for small projects which are limited in scope. It is not intended to be used to bypass the normal selection and negotiation process which will still be used for any contracts that are larger and more detailed in scope. In order to ensure this process is used as intended, the Professional Services Committee has established the following guidelines:

1. The hourly rate contract may be executed for a maximum time period of three years. The contract may also include provisions for a one year extension at the end of the three year period.
2. No single Memorandum of Understanding (MOU) will exceed a total cost of \$100,000. No single project shall have multiple MOU's executed for services which exceed a total of \$100,000. MOU's which fall within the \$100,000 limit will not need prior approval from the Professional Services Committee for execution.
3. If special conditions exist, the Professional Services Committee (PSC) may authorize additional services beyond the \$100,000 limit. Requests for authorization to exceed the \$100,000 limit should be made to the GHQ business unit which corresponds to the type of services required. The business unit will then forward the request to the Professional Services Committee.
4. Notification of executed MOU's shall be sent to the GHQ business unit which corresponds to the type of services included in the MOU with a copy being sent to GHQ Design and Controller's Office. A copy of the MOU with any supporting documentation and a cover letter will serve as proper notification.
5. All original agreements, supplemental agreements, and MOU's will be executed by all parties prior to any services being performed under this contract.
6. Any request from consultants for the 1 year contract extension beyond the 3 years

set up in the original contract must have PSC approval.

7. Any request from consultants to change rates can only occur no more often than annually with the first request to change rates occurring no sooner than 11 months after the original execution of the contract.

GHQ Design maintains a master list of consultants that are under hourly rate contracts in the following categories.

1. Conceptual Studies & Planning Services
2. Roadway Design Services (for example, detail design, drainage, and minor roadway work)
3. Traffic Design & Operation (for example signals, turn lanes, inspection, studies, and timing)
4. Traffic Data Collection & Micro-Modeling
5. Surveying (for example right of way locations and registered land corners)
6. Safety Project Design Services (for projects which will use safety funding)
7. Bridge Design Services (for example surveys, preliminary design, final design and hydraulic studies)
8. Construction and Materials Inspection
9. Traffic Calming/Access Management/Roundabout Design
10. Geotechnical Services (for example soil borings and analysis)
11. Asbestos Inspection/Air Monitoring/Hazardous Waste Abatement
12. Value Engineering

Each district has specific consultants authorized to work in their district for services indicated in the hourly rate contract. Use of a consultant not authorized to work in a district but authorized in other districts is not allowed unless they are added to the list of hourly rate consultants that is maintained by GHQ Design. Deletions to the master list are permitted but also require PSC approval. The master list can be found on the MoDOT public web page under “Business with MoDOT” – “General Information for Design Consultants” – “Statewide Hourly Rate Executed Contracts”.

For additions to the master list of hourly rate consultants the following procedures should be used to select a consultant and negotiate the hourly rate contract:

- When soliciting interest for the hourly rate contract, firms should be selected based on qualifications and experience for performing the needed services. All firms that have submitted a 254 form will receive a letter soliciting their interest in entering into an hourly rate contract to provide the services. The normal selection and rating process should be used to select a firm from those who respond with a letter expressing their interest. The selection process should then be summarized in a letter to the corresponding Project Development Liaison Engineer (PDLE). The summary letter should include the recommended consultant and the rating sheet for all the short listed firms. The PDLE will then prepare a cover letter, as shown in Attachment 2, and circulate this information to

the Professional Services Committee for their concurrence.

- Once the consultant selection receives the concurrence of the Professional Services Committee, GHQ Design will begin the process of negotiations. A detailed scope of services will not be developed for the hourly rate contract. The scope of the services which the consultant will be expected to perform should be described in sufficient detail that all parties understand the nature of the services. The consultant shall then prepare a schedule of hourly billing rates which will be attached to the contract as Exhibit 1. The standard contract is located on the District P: drive. P:\Contract\de\DE1-HR.doc.
- Hourly rates should be included for each type of employee and each type of service included in the contract. The sample format included in this contract should be followed for preparation of Exhibit 1. Since the amount of services to be performed under this contract is unknown and out in the future, the allowable profit based upon direct labor cost will be limited to 12%.
- Once the hourly rates have been negotiated to a point where GHQ Design is satisfied that they are reasonable when compared to other costs for the same type of services, they should be forwarded to Audit and Business Analysis (ABA) at GHQ for review. ABA can determine if the costs are comparable to those for similar services and check to see that the overhead rates are consistent with the latest audited information and do not contain unallowable costs.
- After ABA concurrence of cost information is obtained, the consultant should be instructed to submit four executed copies of the contract language. GHQ Design will forward the contracts to the Chief Counsel's Office (CCO) for approval to form. They will then be sent to the Commission Secretary's Office for execution. Once the contracts are executed, one copy will be returned to the district for district files, one copy will be sent to the consultant, one retained by the Commission Secretary and one copy will be forwarded to the GHQ Design files. The district may then follow the procedures for executing MOU's to obtain services as the need arises.
- If changes are proposed in the contract language, the CCO should be consulted early in the negotiation phase. We recommend that only modifications to the standard contract language be considered if no other compromise can be reached to successfully negotiate the contract.

III. CONTRACT NEGOTIATIONS

A. PREPARATION OF TENTATIVE CONTRACT

In all cases, once the final selection is made, the contract negotiation process is started. The district, with assistance from the affected GHQ business unit, will prepare a tentative scope of services and an independent estimate of the man-hours that would be

required for MoDOT to do the work. The district and GHQ business unit will concur in the tentative scope of services and ensure that it adequately describes the services to be performed. The MoDOT Standard Scope of Services which covers the appropriate type of work should be used as a basis for the tentative scope of services. Modifications to the standard scope of services will be made as necessary to fit the individual project.

The GHQ Office of Resource Management should be contacted at this time to determine if federal funding will be available for the financing of this contract. The decision to use federal or state funds will determine the appropriate contract language to be used. The MoDOT unit responsible for the contract, either the district or the GHQ business unit, then provides the consultant with a tentative contract, which consists of a printed copy of the applicable MoDOT Standard Consultant contract language and the tentative scope of services. Electronic copies shall not be distributed to consultants.

The MoDOT Standard Consultant contract language includes provisions for the amount of liability insurance which the consultant and subconsultants must provide to cover claims which may result from errors, omissions, or negligent acts of the consultant. The standard contract language includes recommended dollar limits for this protection. These may be increased or decreased depending on the nature and complexity of the services.

After review of the tentative contract, the consultant prepares a proposal containing a detailed estimate of cost which includes at a minimum: man-hours, basic pay rates, overhead rates, direct costs and fixed fee for profit. Each of these items will be reviewed to ensure they are reasonable with respect to the type of work involved and size of the contract.

B. PAYMENT BOND

A payment bond is required by state statute. Its basic purpose is to require security carried by the consultant against monetary claims made against individual members of the Missouri Highway and Transportation Commission. These claims would result from the non-payment by the prime consultant to subconsultants for their services. State law provides that engineering services are exempt from the requirements for payment bonds.

For those instances in which the prime engineering service consultant anticipates using only other professional engineering consultants to perform subcontract work, a payment bond is **not** required. However, if the prime engineering consultant subcontracts any non-professional engineering services then the payment bond provision **must** be provided. This provision only addresses the cost of subcontracted work, which is **more** than \$25,000 (see section **1-03.4**).

C. MAN-HOUR ESTIMATES PREPARED

Once the tentative scope of services is determined, the affected business unit and/or the district will prepare an independent estimate of the man-hours that would be required if MoDOT chose to do the work.

D. REVIEW OF CONSULTANT PROPOSAL

1. MAN-HOURS REVIEWED

The department will review the man-hour estimate and compare it to the man-hours that would be required by the department to perform the same service. The consultant's man-hours and costs will also be compared to data from previously executed consultant contracts for similar services.

If it is determined that MoDOT can not negotiate a contract with the consultant to perform the required services within a reasonable amount of the man-hours estimated by the department, the department may choose to perform the work with its own forces or negotiate a contract with another consultant.

2. FIXED FEE FOR PROFIT REVIEWED

The fixed fee for profit will be compared to the MoDOT Allowable Profit Curves shown in Attachment #3. The consultant's fixed fee for profit as a percent of the direct salary costs will not be allowed to exceed the maximum allowable profit curve.

3. PRE-NEGOTIATION AUDIT EVALUATION

The consultant's proposal is transmitted to the Audits and Business Analysis (ABA) Division for a review of the overhead and salary rates included in the proposal. Overhead and salary rates are subject to an audit evaluation and tests for allowability as required by 23 CFR 172.5 (c) and Part 31 of the Federal Acquisition Regulations.

a. WHEN AN AUDIT EVALUATION IS REQUIRED

The contract proposal will be subjected to an audit evaluation, if the cost of the contract exceeds \$100,000 (for lump sum contracts, the limit is \$50,000). An audit evaluation will also be performed if any of the following conditions are true for a contract of any dollar amount:

- There is insufficient knowledge of the consultant's accounting system.
- There is previous unfavorable experience regarding the reliability of the consultant's accounting system.
- The contract involves procurement of new equipment or supplies for which cost experience is lacking.

b. REQUIRED COST DOCUMENTATION

Proper cost documentation shall consist of a detailed overhead schedule, financial statement information, and any other data necessary to show that the consultant has developed an acceptable accounting system and is aware of FHWA's cost eligibility and documentation procedures.

The use of an independent audit, an audit performed by another state/federal agency or an audit performed by another local governmental agency is acceptable if the information is current and of sufficient detail. Copies of these audits must be submitted with the proposal. Cost proposals must be broken down to show hourly labor rates, amount or percent of fixed fee/profit charged, and the overhead percentage used in the proposal.

c. AUDIT EVALUATION FOR HOURLY RATE OR LUMP SUM CONTRACTS

All consultant hourly rate master agreements must be reviewed by ABA prior to contract approval. Any lump sum contract for engineering services exceeding \$50,000 is required to have a pre-negotiation audit before approval.

d. AUDIT RESULTS

The results of this evaluation will be considered before contract negotiations are finalized. The audit evaluation will determine each of the following:

The audit evaluation will establish that the proposal contains a breakdown such that the costs of the following are evident and reasonable in accordance with sound accounting principles:

- Direct Salary
- Payroll Additives
- General Overhead
- Direct Costs
- Profit (fixed fee)

The evaluation will assure that the consultant has a system which is adequate to segregate and accumulate reasonable, allocable, and allowable costs for the proposed work.

The integrity of individual items will be determined and inappropriate charges will be subject to exclusion. The proposal may be returned to the consultant with suggestions for alterations and/or revisions. The contract will not be finalized until all questionable audit matters have been resolved.

Once the man-hours, salary rates, overhead rates, direct costs, and fixed fee for

profit are agreed to by the district and/or the GHQ business unit and ABA business unit, this information will be submitted to the professional services committee for review and approval by the appropriate GHQ business unit. A copy of this transmittal letter is shown as Attachment #2. The department will document, in the submittal letter to the professional services committee that the above procedures have been followed and that the requirements of 23 CFR 172 have been satisfied. 23 CFR 172 prescribes policies and procedures for contracting to ensure that a qualified consultant is obtained through an equitable selection process, and that prescribed work is properly accomplished in a timely manner, and at a reasonable cost.

E. ASSURANCES

Prior to awarding a contract to a consultant, MoDOT will ensure that the following items will have been satisfied:

The consultant has been apprised of all applicable technical work requirements and administrative controls including those of the Federal Highway Administration (FHWA) and any other agencies which may have jurisdictions over this project.

After selection, the firm was furnished all pertinent information relative to the desired engineering services or other professional services requested. The tentative contract set out the scope of the services in sufficient detail to provide the consultant with a definite knowledge of the services and results expected. The consultant was instructed to submit a proposal which indicated clearly identifiable, sufficiently detailed and easily auditable charges for the work and/or units of work. These proposed charges (rates and man-hours) were reviewed for acceptability before negotiations proceeded.

Contracts include a requirement for a three year retention of records, after the final payment is made under the contract. On actual cost contracts, the consultant has been made aware of the requirement that records must be open for inspection by authorized government personnel.

F. DOCUMENTATION OF NEGOTIATIONS

All written correspondence with the consultant during the course of the negotiations shall be included in and made a part of the project file for the consultant contract. All verbal communication and personal visits with the consultant regarding the contract negotiations shall be documented in writing and included in the project file also. These records shall be maintained for a period of three years beyond the submission of the final invoice for payment to FHWA. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records will be retained until completion of the action and resolution of all issues which arise from it, or until the end of the 3-year period whichever is later.

IV. COMMISSION APPROVAL AND CONTRACT EXECUTION PROCESS

A. PROFESSIONAL SERVICES COMMITTEE APPROVAL

Upon approval by the professional services committee, the standard contract language, the scope of services, and the consultant's cost proposal are made part of a formal agreement for execution.

If an agreement cannot be obtained between the consultant and the department for either the scope of services or an acceptable fee, then the department may elect to do the work itself or proceed with negotiating a proposal with one of the other consultants which had been considered in the final selection process.

B. EXECUTION OF CONTRACTS

Authorization to execute an agreement on behalf of the Missouri Highway and Transportation Commission must be obtained as outlined in "MHTC Policy Delegation of Authority for Approval and Execution of Documents". Authorization from the Commission to execute the agreement may be obtained in one of following ways:

1. CONTRACT COSTS INCLUDED IN THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

Authorization for the execution of professional services contracts for projects listed in the Commission approved STIP are included with the Commission's approval of the department's annual budget for Design/Bridge Consultant engineering activities.

Once approval of the professional services committee is obtained for these contracts, they may be forwarded to the Chief Counsel's Office for approval as to form and the Commission Secretary's Office for execution.

If the GHQ Office of Resource Management has previously indicated that federal funds will be used to finance the contract, a copy of the contract data is provided to the Federal Aid Section of the Office of Resource Management at the time the agreement is ready for execution. The Federal Aid Section will then take the necessary steps to obligate Federal funds for the contract.

If the contract will be 100% state funded, this step is not required.

2. CONTRACT COSTS FOR PROJECTS NOT INCLUDED IN THE STIP

In order to obtain authorization to execute agreements for projects which are not included in the approved STIP, the contract data must be presented to the Missouri Highway and Transportation Commission at their regularly scheduled monthly meeting.

Once approval of the professional services committee is obtained for these contracts, they may be placed on the commission agenda by the affected GHQ business unit for the next commission meeting. The district engineer should be prepared to discuss this item at the meeting if questions should arise.

If the GHQ Office of Resource Management has previously indicated that federal funds will be used to finance the contract, a copy of the contract data is provided to the Federal Aid Section of the Office of Resource Management at the time the agreement is placed on the agenda for the monthly commission meeting. The Federal Aid Section will then take the necessary steps to obligate Federal funds for the contract.

If the contract will be 100% state funded this step is not required.

3. CONTRACTS FOR HOURLY RATE SERVICES

Execution of contracts for professional services on an hourly rate basis as described in Section II (F) are to be executed by the district engineer or business unit leader as described in "MHTC Policy Delegation of Authority for Approval and Execution of Documents". It is important that upon execution of the hourly rate agreement, one copy should be provided to GHQ Design to ensure its inclusion in a statewide tracking database for consultant activities.

C. REVIEW BY CHIEF COUNSEL'S OFFICE

As long as one of the approved standard contracts is used for the language in the agreement and no modifications have been made, the Chief Counsel's Office will not need to review the contract language prior to its submission for approval as to form at the time of execution. Any changes or modifications to the standard contract language are strongly discouraged. However, if no other means is available to reach agreement on the contract, the Chief Counsel's Office can be contacted for their opinion as to the acceptability of the proposed changes.

Once authorization to execute the contract is obtained from the commission, by any of the methods listed above, the contract will be submitted to the Chief Counsel's office for approval as to form. After approval as to form is obtained the contract is then forwarded to the Commission Secretary's Office for execution.

A copy of the executed contract will be submitted to the FHWA for filing if federal funds were used to finance the agreement. Any contract modifications will also be submitted to the FHWA after execution.

V. CONTRACT ADMINISTRATION

Each contract will have a department employee assigned as the project manager. The

project manager will be responsible for the administration of the terms of the contract and overseeing the consultant's progress towards providing the required services included in the contract. Included with these responsibilities will be the following:

- Scheduling and attending progress meetings with the consultant and being involved in decisions leading to change orders or supplemental agreements.
- Being familiar with the qualifications and responsibilities of the consultant's staff.
- Visiting the project and/or the consultant's offices on a frequency commensurate with the magnitude, complexity and type of services being provided. This includes being aware of the day-to-day operations for all professional services contracts.
- Assuring that costs billed are consistent with the acceptability and performance of the consultant's work.

During the course of the work under the consultant contract, the department will conduct such interim technical and audit evaluations as may be deemed necessary. In addition, the consultant will be required to file a monthly invoice and progress report (as shown in attachment 4) which will indicate the contract time, completion date, any authorized delays, and the percentage of the work completed in relation to the proposed schedule for various job phases and for the total job.

The department's project manager will monitor the consultant's operations, as necessary, and document the contract performance adequately for later use, prior to final settlement of the contract.

As appropriate, the contract provisions will indicate, and the consultant and department will determine to the extent practicable, a separation between charges for preliminary engineering and charges for construction engineering where applicable. These respective costs will be adequately documented and tabulated for subsequent utilization, if appropriate. In addition to this, projects which include a substantial amount of cost for public involvement will have these costs separated. It shall be the responsibility of the project manager to ensure that all charges are applied to the correct category of work.

VI. SUPPLEMENTAL AGREEMENTS

Extra services, or adjustments to planned services are provided for in the contract and may be handled by unit prices included in the original contract or by agreed costs through a supplemental agreement or within the context of the original agreement.

Once it is determined that a modification to the scope of services is needed, the project manager will follow the same negotiation process for the supplemental agreement that is followed for new contracts up through the submission to the professional services committee.

Any change in the scope of services, whether it results in a change in cost or not, must be included in an approved supplemental agreement. The supplemental agreement must be executed prior to the consultant receiving authorization to proceed with the modified scope

of services.

When a supplemental agreement is necessary, additional funds to cover the added costs in the contract must come from the Design/Bridge Consultant budget.

The contract information is submitted to the chairman of the professional services committee for their approval. If approved by the chairman, the supplemental agreement is submitted to the Chief Counsel's Office for approval as to form and the Commission Secretary's Office for execution.

A copy of the supplemental agreement will be furnished to the Federal Aid Section of the Office of Resource Management for obligation of additional Federal funds, if applicable, and transmittal to the FHWA after execution.

VII. POST CONTRACT PROCEDURES

The department will conduct a final audit to determine total allowable contract costs, unless the contract is on a firm fixed price basis.

Allowable cost principles will be identified based on the experience of department personnel in administering past contracts and in accordance with applicable requirements of 48 CFR Part 31, of the Federal Acquisition Regulation (FAR) and 23 CFR 172, Administration of Engineering and Design Related Service Contracts.

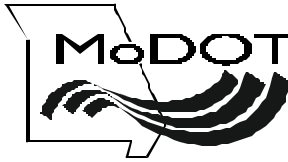
Should it be necessary for a consultant to purchase special equipment, materials, or property to accomplish the required services, the department will establish a before and after value and will receive an appropriate credit for any residual values. This credit will be passed on to the FHWA.

Following completion of the consultant's services included in the contract, the department's project manager shall complete a post-evaluation which will be included in the project file within one month after completion of the design. Another evaluation of the consultant's work will be completed by department personnel after the construction phase of the project. Upon completion of any evaluation, a copy should be furnished to the consultant and an opportunity provided for the consultant to meet with the project manager to discuss the evaluation.

These evaluations will also be included in the department's consultant database and will be used during consideration of the consultant for future work assignments.

RATING OF CONSULTING ENGINEER FIRMS FOR PROFESSIONAL SERVICES CONTRACTS

1. Experience - The consulting firm is evaluated upon experience on similar and related type work which they have performed. The maximum value is 30 points for many years of established practice in the proposed type of work and related studies. 25 points may be assigned for above average and 20 points are given for the type of experience adequate to perform the contract. 10 points indicates a firm with little operating experience in the selected field.
2. Personnel - Qualifications of employees will be rated a maximum of 20 points. Those rated 15 points will be considered good, but not having extensive experience in the particular type of service desired. 10 points may be assigned those firms with well qualified personnel having no experience in the proposed area of work. Reduce rating by a maximum of 5 points for an inadequate level of personnel to handle the indicated work load of the firm under consideration.
3. Familiarity and Capability - The firm's familiarity and ability to comply with the monitoring procedures and contract requirements is rated a maximum of 10 points for a consultant previously performing satisfactory work for the Department. A maximum of 7 points shall be awarded for those firms which have done similar type work only for other governmental agencies.
4. Accessibility - Priority is given to firms with a previously established office relative to the job site. 10 points should be allocated to such firms. Firms establishing only a contract office in Missouri with substantial portions of the work to be performed at locations outside the State should be given 0 points.
5. The past performance of firms which have worked under contract with the Department or other agencies in related fields is evaluated from 0-30 (30 - excellent, 25 - good, 20 - adequate, 15 - fair, 10 - poor, 5 - inadequate, 0 - non-existent).



MEMORANDUM

Missouri Department of Transportation
Error! Unknown document property name. **Project Development**
Error! Unknown document property name. **General Headquarters**

TO: Chairman, Professional Services Committee

CC:

FROM:

DATE: September 30, 2000

SUBJECT: Business Unit
Route (____), (*county*) County
Job No. (____)
Engineering Services Contract

Project Description - This project will provide the improvement of (*length*) of Route (____) in (*county*) County from (*termini*) to (*termini*). This project is (isn't) part of the approved MOTIS.

Scope of Services - The consultant will provide professional, technical, and other personnel, equipment, material, and all other things necessary for preparing (*scope of services*).

Consultant - This work will be performed by (*name of firm*) of (*location*). (*Name of firm*)'s DBE classification is MBE, WBE or N/A. This contract has a ____ % DBE goal.

Sub-consultants - Sub contract work will be performed by (*name of firm*) of (*location*). (*Name of firm*)'s DBE classification is MBE, WBE or N/A. The amount of work to be performed by each subconsultant is: (*name of firm*) (*dollar amount*)

Man-Hours and Contract Prices - We have reviewed the agreement and find the man-hours and contract prices to be reasonable and within accepted procedures with respect to (1) man-hours required to do the work (*hours*), (2) engineering cost as a percentage of construction cost (*%*), (3) profit as a percentage of design cost (*%*), and (4) overhead charges (*%*).

Period of Service - The consultant will complete the (*scope of services*) within (*time*) of issuance of the notice to proceed inclusive of necessary review time.

Cost - Total estimated cost for these services will not exceed a maximum of (*contract ceiling*).

Recommendation - We recommend approval of the proposed engineering services contract including the estimated man-hours and a sum of (*contract ceiling + 10%*) which includes 10% for contingencies (only use contingencies for non-STIP projects). A copy of the tentative engineering services contract as presently written is available in our office for your

review. We plan to take this contract to the (month) Commission meeting for approval.

Certification - The approved MoDOT Consultant Selection and Contract Implementation Procedures have been followed and the requirements of 23 CFR 172 have been satisfied for this contract.

XX

Consultant: (Name of Firm)
 Sub-consultants (Name of Firm or Firms)
 Scope of Services: (Scope of Services)
 Cost: (Cost Excluding Fixed Fee)
 Fixed Fee: (Amount of Fixed Fee)
 Total Cost: (Contract Ceiling)
 Contingency: (10% of Contract Ceiling) (Only used for non-STIP projects)
 DBE Goal: %

XX

	Agree	Request Meeting	Signature	Date
Diane Heckemeyer State Design Engineer	_____	_____	_____	_____
Shyam Gupta State Bridge Engineer	_____	_____	_____	_____
Director of Planning * Director of Planning	_____	_____	_____	_____

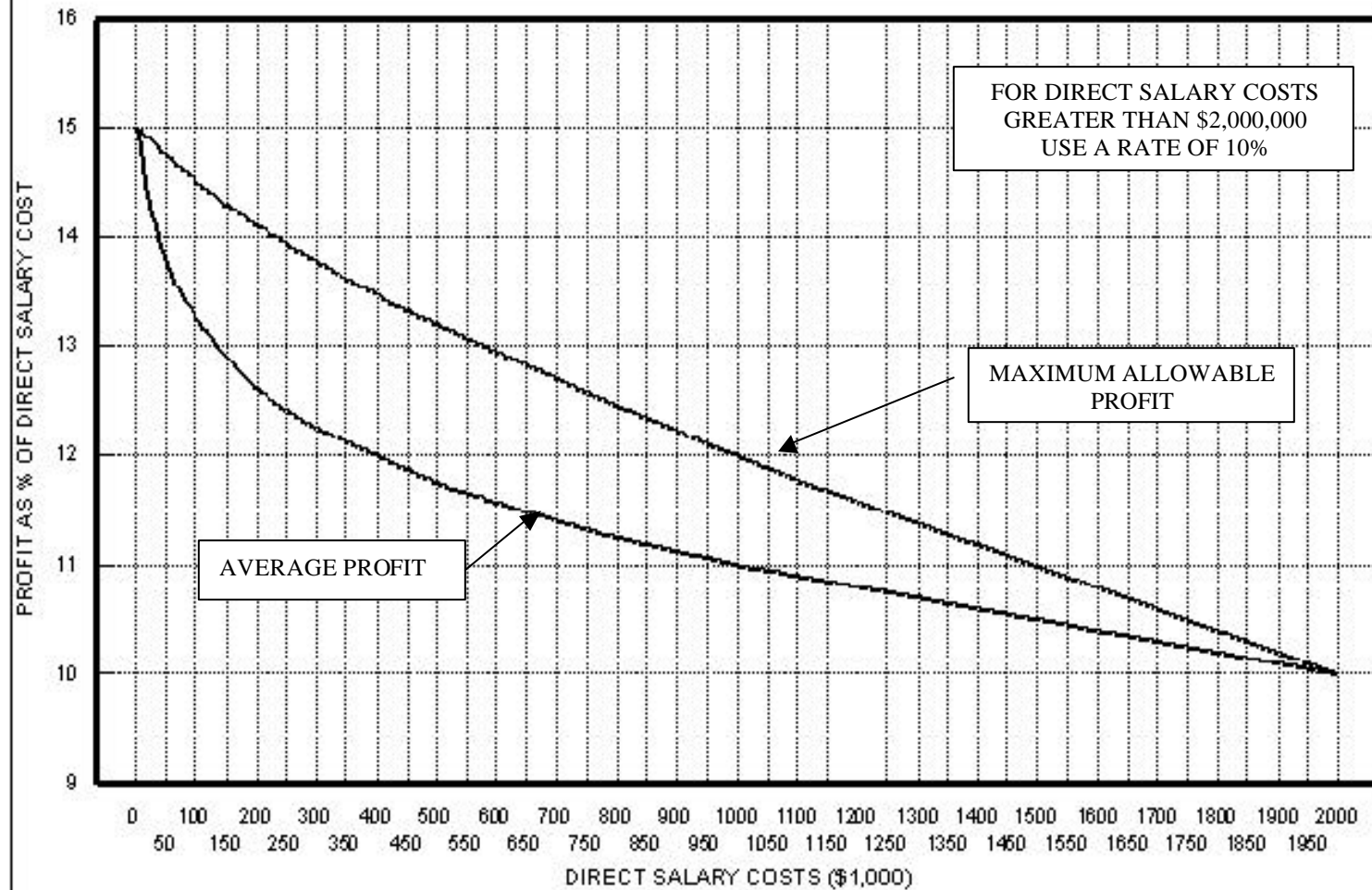
Note: Route among committee members before transmitting to (Chairman, Professional Services Committee).

*Use as described under II B.

APPROVED: _____ Date: _____
 Chairman, Professional Services Committee

MoDOT ALLOWABLE PROFIT CURVES

CALCULATED AS % OF DIRECT SALARY COSTS



DIRECT SALARY COSTS = DIRECT LABOR + OVERHEAD ON DIRECT LABOR + GENERAL AND ADMINISTRATIVE OVERHEAD
DOES NOT INCLUDE TRAVEL EXPENSES, PRINTING, MISCELLANEOUS EXPENSES, OR SUBCONSULTANT COSTS

INVOICE FOR PROFESSIONAL SERVICES

ABC Engineers of
America
123 Sunshine
SUITE 999
LUCKY TOWN, MO 12345

May 9, 2001

Mr. Dave Nichols, P.E., District Engineer
Missouri Department of Transportation
105 West Capitol Avenue
Jefferson City, MO 65102

Attention: Mr. Jim Armstrong, P.E.

Route XX
County: Jackson
Job No. JXXXXXX

Page No. 1
Invoice No. 27
Project No. XXXXX

Billing Period 1/1/99 Through 3/31/99

Engineering Services:

1.	Direct Salaries per attached tabulation	\$0.00	
2.	Overhead (156.45% x Line 1)	<u>0.00</u>	
3.	Subtotal		\$0.00
4.	Profit (fixed fee \$53,025.65 x 100% complete*)	\$53,025.65	
5.	Less profit previously invoiced	<u>(52,336.32)</u>	
6.	Subtotal		689.33
7.	Direct costs per attached tabulation**		<u>1,555.60</u>
8.	Total for this invoice		\$2,244.93
9.	Maximum fee exceeded (\$661,662.32 + 3,230.83 = \$664,893.14 = \$1,153.14)		<u>(1,153.14)</u>
10.	Subtotal		\$1,091.79
	* See attached progress report	Amount Due This	
	** Includes subconsultants, printing costs, etc.	Invoice	\$1,069.95

Original contract executed on July 1, 1998

Original amount for this contract	\$564,002.74
	Supplemental No. 1 Executed July 1, 2000
	\$564,002.74 + \$32,768.14 = \$596,770.88
	Supplemental No. 2 Executed July 30, 2001
Maximum amount for this contract	\$596,770.88 + \$66,969.13 = \$663,740.01
Fixed Fee (Original Amount plus Supplemental 1)	\$43,519.69 + \$2,481.77 = \$46,001.46
(Supplemental 1 plus Supplemental 2)	\$46,001.46 + \$7,024.19 = \$53,025.65
Total Project MH: 10,000	Total MH Used: 10,000
	100.0% Complete

Summation of Costs:

	<u>Total Billed</u>
Previously Invoiced	\$661,662.32
This Invoice	<u>1,091.79</u>
Total to Date	\$662,754.11

DIRECT SALARIES

John Doe	0.0 Hours @	\$0.00	\$0.00
Jane Doe	0.0 Hours @	0.00	<u>0.00</u>
		TOTAL	\$0.00

SUBCONSULTANTS

XT Surveying (Photogrammetry)	
Total Amount Earned to Date	\$10,905.00
Less Previous Amount Billed	<u>(10,905.00)</u>
Amount Due This Invoice	\$0.00

Havin' Fun Enterprises (Surveys)	
Total Amount Earned to Date	\$74,610.00
Less Previous Amount Billed	<u>(73,110.00)</u>
Amount Due This Invoice	\$1,500.00

Joe Consulting, Inc.	
Total Amount Earned to Date	\$17,447.72
Less Previous Amount Billed	<u>(17,447.72)</u>
Amount Due This Invoice	\$0.00

OTHER DIRECT COSTS

Printing	\$949.32
UPS and Federal Express Delivery	123.28
US Postal Service	<u>32.00</u>
Total Amount Earned to Date	\$1,104.60
Less Previous Amount Billed	<u>(1049.00)</u>
Amount Due This Invoice	\$55.60

Value Engineering	\$4,509.40
Less Previous Amount Billed	<u>(4,509.40)</u>
	\$0.00

TOTAL DIRECT EXPENSES DUE THIS INVOICE	\$1,555.60
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ABC Engineers

John ABC
Chairman

Category		Man-Hours Completed vs. Budgeted							Man - hours			
		500	1000	1500	2000	2500	3000	3500	Total Budgeted	Total used	% Complete	Est. % Task Complete
1	Project Administration	<div><div></div></div>							520	446.5	86%	78%
2	Meetings and Conferences	<div><div></div></div>							314	270.5	86%	84%
3	Review and Quality Control	<div><div></div></div>							365	303.5	83%	86%
4	Review of Existing Documentation	<div><div></div></div>							275	295.0	107%	95%
5	Property Information	<div><div></div></div>							195	135.0	69%	70%
6	Create Base Map Drawings	<div><div></div></div>							345	243.0	70%	78%
7	Typical Sections	<div><div></div></div>							380	322.5	85%	82%
8	Concept Design US40/I-70/I-435 Alt.'s	<div><div></div></div>							505	401.0	79%	74%
9	Drainage Analysis	<div><div></div></div>							356	348.5	98%	94%
10	Maltese Cross Center Pylon	<div><div></div></div>							190	109.0	57%	62%
11	Location Public Hearing	<div><div></div></div>							225	19.5	9%	100%
12	V.E. Study & Final Report	<div><div></div></div>							245	230.5	94%	89%
13	Total Project	<div><div></div></div>							3,400	3,020.0	89%	91%

Total Scheduled Man-Hours

Actual Man-Hours Used

Man-hours Used: 3020.0
Total Project Man-hours Budgeted: 3400
Percent of Total Contract: 89%

Total \$ used: 125,000
Percent of \$ used: 95%
Estimated \$ remaining: 20,000

Progress Report No. 1

**I-70 / I-435 – Conceptual Design
JXXXXXX**

**ABC Consulting Project No. XXXXX
For Period: August 1, 2000 – August 31, 2000**

I. Work Completed This Period: The following work tasks were completed during the above period:

- Continued preparation of Conceptual Plan
- Obtained parcel maps for study area
- Collected Survey Data

II. Work to be Completed Next Period: The following tasks are anticipated to be completed during the month of September, 2000:

- Follow up on property information
- Finalize alignment for preliminary plan

III. Schedule and Budget Status

Project is on track and within budget.

IV. Problems and Recommended Solutions

No significant problems were encountered during this period.

NOTES: